

REQUEST FOR COUNCIL ACTION

MEETING

DATE:

101
7/7/03**AGENDA SECTION:**

CONSENT AGENDA

ORIGINATING DEPT:

Public Works

ITEM NO.

D-38

ITEM DESCRIPTION:

Feasibility Report for the Silver Creek Sub-trunkline Sanitary Sewer, J7703

PREPARED BY:

J. Loehr wlf

This is the Feasibility Report for the construction of a sub-trunkline sanitary sewer to serve portions of sewer service area 24 in a project described as follows:

Project No. M2-13, J7703**"Silver Creek Sub-trunkline Sanitary Sewer to Serve Portions of Sewer Service Area 24 in Haverhill Township."**

The estimated construction costs and expense of this project are as follows:

Sanitary Sewer	\$ 393,735
Erosion Control	20,000
Restoration	22,000
Sub-Total	\$ 435,735
Engineering/Interest/Contingencies	130,721
Sub-total w/ EI&C	\$ 487,240
Easements	150,000
Estimated Project Cost and Expense	\$ 716,456

Project Funding Sources

The Feasibility Report proposes that the project be funded from Development and/or Contribution Agreements between the City of Rochester and the petitioners of the project (the petitioners estimated charges represent 81.0% of the estimated project cost), and from future Sewer Availability Charges for the construction of the project and future sanitary sewer connection charges, from owner's of other undeveloped properties that are served by the project, that did not petition for the project.

The petitioners of the project Arcon Development and Roger Payne will be required to enter into Development and/or Contribution Agreements prior to the advertisement of bids for the project.

Payment of 50% of the estimated charges for the Arcon Development and Roger Payne properties are required when the project is 50% completed. Payment of the balance of the actual charges for these properties is required after the project is completed and the final project quantities and costs have been determined.

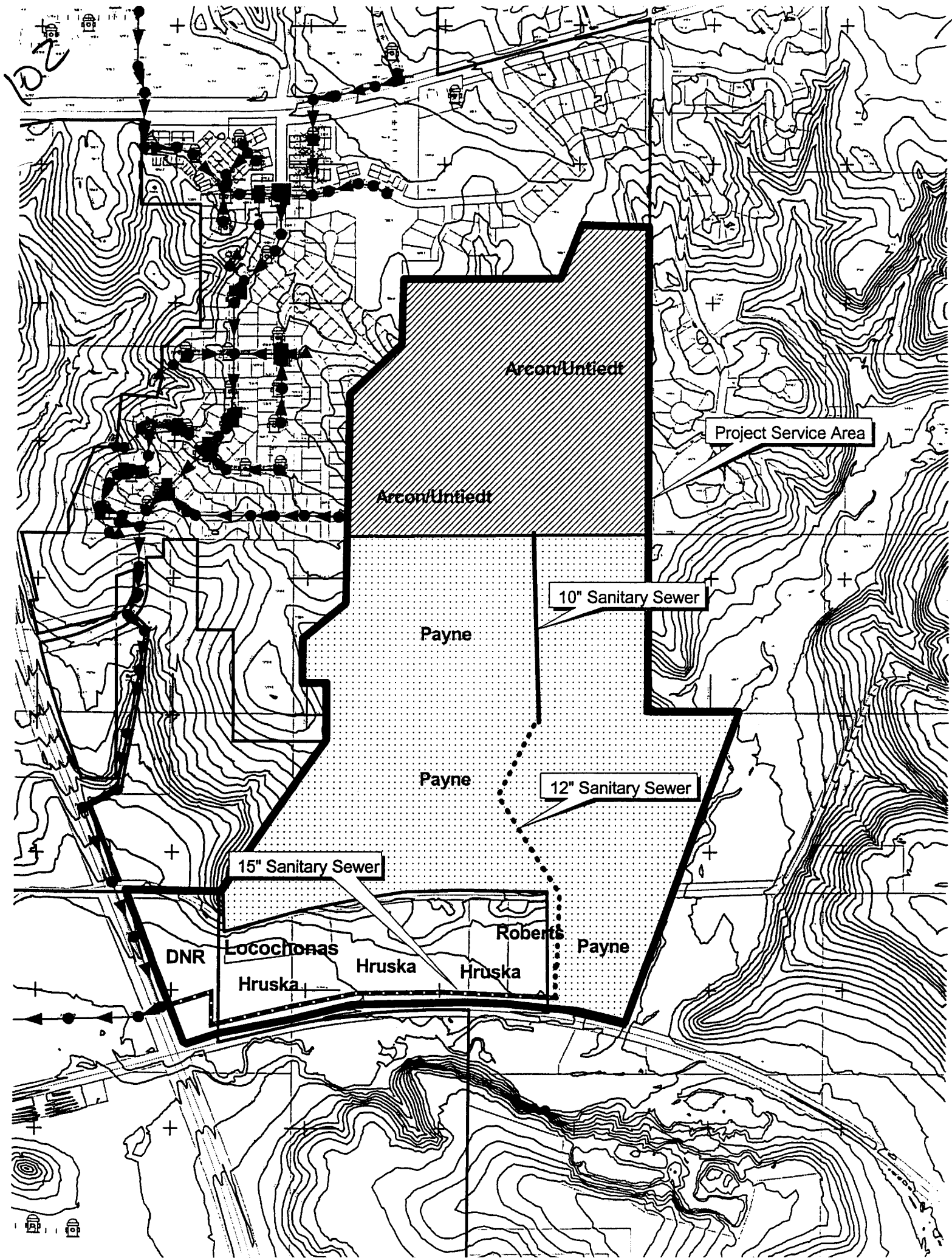
The Rochester Olmsted Planning Department has reviewed the petition and Feasibility Report. The Planning Department indicates that the property is within the Urban Service Area for the City on the Olmsted County Future land Use Map, and that any development along Silver Creek will require floodplain modeling and identification of the floodplain.

COUNCIL ACTION REQUESTED:

1. Adopt a resolution accepting the Feasibility Report.

Attachments: Feasibility Report
Project Location Map

COUNCIL ACTION: Motion by: _____ Second by: _____ to: _____



103

REPORT ON THE FEASIBILITY OF PROPOSED LOCAL IMPROVEMENT PROJECT

Sanitary Sewer Extension to Serve Portions of Sewer Service Area 24 in Haverhill Township,
Specifically Sewer Service Area 24A & 24-B1 to Serve the Southern Portions
of Shannon Oaks and Century Hills Subd.

Honorable Mayor & Common Council
City of Rochester, Minnesota

A petition for sanitary sewer was forwarded by the City Council at their meeting of April 1, 2002 to the Public Works Department for the preparation of a Feasibility Report. Yaggy Colby Associates filed the petition on behalf of Roger Payne for the Century Hills development and Arcon Development / Mr. Donald Untiedt for the Shannon Oaks development. The petition was checked and found to be in proper form.

Feasibility Report

We report that the above referenced project is feasible and recommend its construction provided that the two petitioners enter into Development and/or Contribution Agreements with the City prior to the preparation of plans and specifications for the project.

The costs for this project are proposed to be recovered through Development and/or Contribution Agreements and future connection charges.

Scope of Project

The proposed project consists of the extension of a 15" sanitary sewer from an existing 18" sanitary sewer main that is located on the east side of East Circle Drive NE approximately 350 feet north of the DM&E Railroad. The extension of this sanitary sewer will provide sewer service to the petitioner's property located in Sewer Service Area (SSA) 24A and 24-B1. A 30" sanitary sewer extension from the existing 18" sanitary sewer would be necessary to provide sanitary sewer to serve the balance of SSA 24 that consists of approximately 9,500 acres.

Availability of Trunkline Sanitary Sewer

The existing 18" trunkline sewer has sufficient capacity available to serve SSA 24A and 24-B1.

Availability of Trunk Watermain and Water Towers

The properties can be served by the existing trunk water distribution system and water tower, therefore the construction and/or extension of trunk watermain or water towers is not required. The extension of watermain within each development is required by the developers to ensure that adequate water pressure and volume of water is available to serve the domestic and fire protection needs of the developments.

Estimated Construction Cost and Expense of the Project

Sanitary Sewer	\$393,735
Erosion Control	\$ 20,000
Restoration	\$ 22,000
Sub-total	\$435,735
Engineering, Interest & Contingencies (estimated at 30%)	+130,721
Sub-total w/ estimated 30% EIC	\$566,456
Temporary Construction and Permanent Easements	\$150,000
Estimated Project Construction Cost and Expense	\$716,456

Project Funding Sources

Sanitary Sewer Connection Charge

Direct connection into the 15", 12" and 10" sanitary sewer mains will be permitted. Since the 15" sanitary sewer will be constructed on the south edge of the Hruska, Roberts and Payne properties each of these properties is subject to a sanitary sewer connection charge for 15" sanitary sewer main across their respective property.

The Sanitary Sewer Connection Charge Rate for 2003 is \$45.07 per foot.

Sanitary Sewer Centerline Foot Charge

The 10" and 12" sewer mains will be constructed in future roadways and/or easements consistent with the alignments in the development plans for the Payne property. The Payne property is subject to a sanitary sewer centerline foot charge for an 8" equivalent sanitary sewer main based on the actual cost of design, construction and inspection for 12" and 10" sanitary sewer across the property.

The Estimated Sanitary Sewer Centerline Foot Charge is \$61.00 per Centerline Foot.

The proposed project does not include the extension of sanitary sewer in the Arcon/Untiedt property. Therefore, the Arcon/Untiedt property is not subject to a sanitary sewer connection charge or a sanitary sewer centerline foot charge for the construction of this project.

Estimated Charges for Sanitary Sewer Connection Charge

Property Owner	Feet	Rate/ft.	Amount
Hruska	2,180	\$45.07	\$ 98,252
Roberts	290	\$45.07	\$ 13,070
Payne	250	\$45.07	\$ 11,268
Sanitary Sewer Centerline Foot Charge	2,720	\$45.07	\$122,590

Estimated Charges for Sanitary Sewer Centerline Foot Charge

Property Owner	Feet	Rate/ft.	Amount
Payne	3,730	\$61.00	\$227,530

Sewer Availability Charge for Construction (SACCON)

The balance of the project costs will be charged to the estimated 250 developable acres in the portion of SSA 24 being served by the project. The estimated project SAC for construction (SACCON) rate is calculated as follows:

Estimated Project Cost	\$716,456
Sanitary Sewer Centerline Foot and Connection Charges	-350,120
Estimated Project Cost for SACCON	\$366,336

$$\frac{\text{Estimated Project Cost for SACCON}}{\text{Estimated Developable Acres in Project Area}} = \frac{\$366,336}{250 \text{ acres}} = \$1,465.34/\text{acre}$$

105

Estimated Sewer Availability Charge Rate for Construction (SACCON)

Property Owner	Estimated Developable Acres	Estimated Project SAC Rate/Acre	Estimated Project SAC
Hruska	13	\$1,465.34	\$ 19,049
Roberts	2	\$1,465.34	\$ 2,931
Locochonas	2	\$1,465.34	\$ 2,931
Payne	128	\$1,465.34	\$187,564
Arcon/Untiedt	105	\$1,465.34	\$153,861
Estimated Project SAC	250	\$1,465.34	\$366,336

Estimated Project Charges for the Payne Property

Sanitary Sewer Connection Charge	\$ 11,268
Sanitary Sewer Centerline Foot Charge	\$227,530
<u>SACCON</u>	<u>\$187,564</u>
Estimated Project Costs Attributable to the Payne Property	\$426,362

Estimated Project Charges for the Arcon/Untiedt Property

Sanitary Sewer Centerline Foot Charge	\$ -0-
<u>SACCON</u>	<u>\$153,861</u>
Estimated Project Costs Attributable to Arcon/Untiedt Property	\$153,861

Estimated Project Charges for the Payne and Arcon Properties **\$580,222**

Percentage of Estimated Project Costs for the Payne and Arcon Property $\frac{\$580,222}{\$716,456} = 81.0\%$

Each of the two petitioners for the project will be required to enter into Development and/or Contribution Agreements with the City prior to the preparation of plans and specifications for the project. The Agreements will require each property owner to pay their respective share of the project costs as follows:

Payne Property

Annexation of the property is required by September 30, 2003 and prior to the City Council initiating the advertisement of bids for construction of the project

Payment of 50% (\$213,181) of the estimated charges attributable to the Payne Property is required when construction of the project is 50% completed and within 30 days of written notice (invoice) by the City to Roger Payne for that payment.

The actual charges attributable to the Payne property will be determined after the project is completed and the final project quantities and costs are determined. Payment of the actual charges less \$213,181 is required within 30 days of written notice (invoice) by the City to Roger Payne for payment of the final share of the project costs.

Easements are required across the Payne property for the construction of this project. These easements must be dedicated to the City without cost by September 30, 2003.

104

Arcon/Untiedt Property

Annexation of the property is required by September 30, 2003 and prior to the City Council initiating the advertisement of bids for construction of the project.

Payment of 50% (\$76,930.50) of the estimated charges attributable to the Arcon property is required when construction of the project is 50% completed and within 30 days of written notice (invoice) by the City to Arcon Development for that payment.

The actual charges attributable to the Arcon Property will be determined after the project is completed and the final project quantities and costs are determined. Payment of the actual charges less \$76,930.50 is required within 30 days of written notice (invoice) by the City to Arcon Development for payment of the final share of the project costs.

Easements and/or Right-of-Way Required for the Project

Easements through the Hruska and Roberts' properties will be necessary for the construction of this project. The City will seek dedication/acquire these easements. The costs of these easements will be added to the project cost and recovered by the City in the project SAC (SACCON) costs. The easements costs are reflected in the project SAC (SACCON) rate previously identified in this Feasibility Report.

Since the Hruska and Roberts' properties are located in Haverhill Township and not within the City of Rochester there exists a potential of the Township objecting to the project, unless the easements are annexed into the City. As such, the City in negotiating for the easement acquisitions must address the annexation issue and the potential difficulties posed by Haverhill Township in objecting to the construction of the project.

Environmental Review Required

The estimated average daily flow for the proposed 15" sanitary sewer sub-trunkline is less than 1.0 MGD. Therefore, an Environmental Assessment Worksheet (EAW) is not required by State Statutes prior to the Minnesota Pollution Control Agency (MPCA) issuance of a permit for the construction of the project.

The EAW being prepared for the Water Reclamation Plant expansion will indicate the Silver Creek Service Area limits extend to the east line of the Payne property. Extension of the Silver Creek Trunkline Sewer beyond this point will require that:

1. The Water Reclamation Plant expansion is completed, and
2. An Environmental Assessment Worksheet is completed for the entire 9,500 acres in Sewer Service Area 24, and
3. The 18" Silver Creek Sub-trunkline sanitary sewer located downstream of this project is upgraded/replaced with a larger diameter trunkline sanitary sewer from its terminus point with the SE Interceptor Sanitary Sewer to East Circle Drive NE, and a 30" sanitary sewer is constructed from East Circle Drive NE to the east to serve the balance of the Sewer Service Area 24.

With the restrictions noted above the extension of a 30" trunkline sanitary sewer to serve the balance of SSA 24 may not occur until at least 2007.

Additional Development Related Charges

In addition to the project related sewer and water charges required from the Roger Payne and Arcon Development the Payne property and the Arcon property are also subject to the following development related charges for other City of Rochester public improvement projects:

Storm Water Management

Onsite storm water management and sedimentation facilities will be required to serve each of the properties. Private storm water management facilities shall be designed to serve each respective property. Cost of construction of these facilities is the developer's expense. In the event that a portion or portions of the property are not served by these onsite facilities, then the acreage of these areas are subject to a Storm Water Management Fee of **\$2,211.76 per acre for low-density residential development**. Multi-family development and commercial/industrial development uses will be calculated on a case-by-case basis.

Sewer Availability Capacity Charge (SACCAP)

The properties are subject to a Sewer Availability Charge for Capacity (SACCAP) for downstream sanitary sewer trunkline upgrade/replacement for capacity limitations to the sanitary sewer trunkline located downstream of project J7703. The 2002 City rate for SACCAP is **\$716.10 per developable acre**.

Water Availability Charge

The properties are subject to a Water Availability Charge for the water tower located in the Northern Heights area. The City constructed this water tower in project J9288. The WAC rate for this water tower is \$1,021.46 per developable acre, plus 7.5% simple interest from May 4, 1998 to the date that the charges are made against each property. Interest will accrue at 7.5% simple interest from May 4, 1998 for a maximum of ten (10) years.

The WAC rate for the water tower as of February 3, 2003 with interest is **\$1,385.62 per developable acre**.

Silver Creek Road Traffic Improvement District (TID)

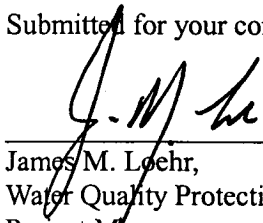
The City anticipates that the relocation/upgrade of Silver Creek Road will be required in the future to handle the increased traffic flows to the Road from new development in the area.

The estimated TID rate for the Silver Creek Road relocation/upgrade is **\$2,500 per gross acre**.


Note:

The rates for Storm Water Management, Sewer Availability Capacity Charge, and the Silver Creek TID are adjusted on August 1st of each year based on the change in the Engineering News Record/Construction Cost Index for the Minneapolis/St. Paul area during the preceding 12 months. The rates shown in this Feasibility Report are in effect through July 31, 2003.

Submitted for your consideration:


James M. Loehr,
Water Quality Protection Program
Project Manager

Approved:


Richard W. Freese
Director of Public Works
City Engineer

108

BUDGET AND ASSESSMENT SCHEDULE FOR CONSTRUCTION CONTRACT

Project No: M2-13
J No: J7703

Date (Orig.) July 7, 2003

Description: Sanitary Sewer Extension to Serve Vacant Lands that are Located in Sanitary Sewer Service Area 24 in Rochester Township, Specifically Sewer Service 24A & 24-B1 to Serve the Southern Portions of Shannon Oaks and Century Hills Subdivision.

<u>Project Cost</u>	Project Budget	Contract Cost	Final Cost
<u>Sanitary Sewer</u>	<u>\$ 393,735</u>		
<u>Roadway Restoration, Seed, Erosion Control</u>	<u>42,000</u>		
<u>Construction Cost</u>	<u>\$ 435,735</u>		
<u>Engineering/Interest/Contingency</u>	<u>130,721</u>		
<u>Construction Cost & Expense Sub-total</u>	<u>\$ 566,456</u>		
<u>Easements</u>	<u>150,000</u>		
<u>Total Construction & Expense</u>	<u>\$ 716,456</u>		

Cost Distribution

Roger Payne Property	<u>\$ 426,362</u>
Arcon Development Property	<u>153,861</u>
Future Charges	
Sanitary Sewer Centerline Foot and Connection Charges	<u>111,322</u>
SAC for Construction (SACCON)	<u>24,911</u>
TOTAL	<u>\$ 716,456</u>

Make Initial Disbursement from P. I. R. Fund



**YAGGY
COLBY**
ASSOCIATES

March 20, 2002

Mr. Richard Freese, PE
City of Rochester Public Works Department
201 4th Street SE
Rochester, MN 55904

**RE: Century Hills and Shannon Oaks Sanitary Sewer
Rochester, Minnesota**

Dear Richard:

On behalf of Payne Company, Arcon Development, Inc., and Mr. Donald Untiedt, we would like to request that the city council initiate a Project Feasibility Report for the extension of sanitary sewer to serve the southern portions of Century Hills and Shannon Oaks. This sanitary sewer trunk line is shown on the Century Hills General Development Plan along the Dakota, Minnesota & Eastern Railroad right-of-way, and extends north to the proposed street that intersects with Silver Creek Road NE on the south side of the Century Hills property.

Sincerely,

YAGGY COLBY ASSOCIATES



Wade C. DuMond, ASLA

WCD

YCA # 7541 LD2

7703 LD2

cc: Roger Payne
Larry Frank
Don Untiedt

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DELAFIELD OFFICE

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10